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C O N F I D E N T I A L SECTION 01 OF 03 RIYADH 000699

SIPDIS

DEPT FOR NEA/RA(YAPHE) AND NEA/ARP(HARRIS)

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TAGS: [PGOV](#) [PREL](#) [ECON](#) [SA](#) [IZ](#) [IR](#) [GCC](#)

SUBJECT: REGIONAL ENGAGEMENT STRATEGY FOR IRAQ/VIABILITY OF NEW REGIONAL NETWORKS

REF: A. SECSTATE 48144

[1B](#). RIYADH 439

[1C](#). 08 TOKYO 02730

Classified By: CDA David Rundell,
reasons 1.4 (b) & (d)

[11.](#) (C) SUMMARY. Embassy answers to questions posed in ref A are listed below. In general terms, the Saudis have strained relations with Iraq, continue to drag their feet in sending an Ambassador or forgiving Iraqi debt for reasons outlined below. They are not likely to welcome new regional mechanisms or organizations, if only because of their own limited capacity for sustained engagement. Another factor is the Saudi leadership's distrust of Iraqi PM Al-Maliki, who is seen as unreliable, under Iranian influence, and Shi'ite. Saudi calculations will always be driven by their assessment of how much any initiative affects Iranian influence in the region. They are likely to be open to incrementally improving bilateral security and commercial ties with Iraq.
End summary.

PRESSING SAUDI-IRAQI BILATERAL ISSUES

[12.](#) (C) QUESTION: In what issue areas is the host government already engaging in bilateral and/or multilateral discussions on functional issues (water, energy security, refugees, border security, health, education, etc.) with other countries in the region, regional and international organizations, and NGOs and other private sector actors like foundations and philanthropic organizations?

[13.](#) (C) ANSWER: According to newly appointed Iraqi Ambassador to Saudi Arabia Dr. Ghanim Al-Juwaily, Iraq's most pressing bilateral issues with the Kingdom include the appointment of a Saudi ambassador to Baghdad and forgiving Iraqi debt, but he does not believe there is much he personally can do to achieve either goal. The Saudis cite security concerns as the reason they have yet to send an ambassador. While they have made positive statements about Iraqi debt, they have yet to act, in Al-Juwaily's view, because of Kuwaiti pressure not to resolve this issue until Kuwait resolves a host of its own issues with Iraq. However, there remains no consensus on how much the Iraqis owe the Saudis, and we understand proposals to bring together experts from the two countries to discuss technical debt issues have languished since September [12007](#). U.S. efforts to resolve this at a political level also need to focus on bringing together working-level officials to do additional legwork.

[14.](#) (C) ECONOMIC & SECURITY: Therefore, Al-Juwaily has decided to practice the "art of the possible," and focus his efforts on economic and security cooperation. This includes opening the border with Saudi Arabia; re-establishing commercial ties; and security cooperation against Al-Qaeda, on the border, and combating drug trafficking. The Saudis are very

worried about their "flat and porous" border with Iraq, which they see as largely uncontrolled on the Iraqi side and a potential entry point for returning extremists and contraband. Common concerns and evidence of Iraqi seriousness of purpose would likely spur Saudi cooperation.

¶15. (C) SECURITY AGREEMENT: Al-Juwaily reported that he would like to conclude a draft security agreement negotiated with the Saudis primarily by National Security Adviser Muwaffaq Al-Rabiae. (Comment: One factor in renewed Saudi hesitation on Iraq ties is unhappiness that Muwaffaq al-Rabiae, one of the few Iraqi officials with good ties to Riyadh, appears to have been fired from his position. The Saudis view this as evidence that the Al-Maliki government is not serious about improving ties. End comment.)

¶16. (C) PARLIAMENTARY EXCHANGE: On the political front, Al-Jumaily believed he might secure Saudi agreement for an exchange of parliamentarians. The Majlis Al-Shura could be encouraged to invite Sunni parliamentarians to Riyadh for discussions, to address Saudi concerns about Sunni participation in the government. Embassy agrees that the Saudis might be amenable to this sort of quasi-official, low profile engagement.

EXISTING MULTILATERAL EFFORTS

¶17. (C) QUESTION: From the host country's perspective, which of these groups are working effectively to produce joint action to solve common problems, and which are largely talk

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shops that have not produced and are unlikely to produce concrete outcomes? Are there best practices in this area that could serve as a model for other taskforces- or lessons learned, both positive and negative -- from previous experience that should inform the Department's thinking?

¶18. (C) ANSWER: The Saudis have been constructive participants in the GCC plus 3 process. They have in the past voiced support for the "Neighbors Process," launched to underscore the concept of non-interference in Iraqi affairs. Saud Al-Faisal has suggested that the Neighbors Process might be a useful vehicle for isolating the Iranians, so long as the others were united.

¶19. (C) The current Saudi efforts to achieve a reconciliation on the Saudi/Egyptian/Syrian/Jordanian front would improve regional integration of Iraq.

LIMITED ENTHUSIASM FOR NEW ORGANIZATIONS/MECHANISMS

¶10. (C) QUESTION: Where would the host government see gaps in the capacity of existing multilateral arrangements to agree on regional solutions to regional problems? Are there any specific functional issues for which the host government would support the formation of ad hoc multilateral task forces? Are there subjects where host country would serve as a natural leader?

¶11. (C) ANSWER: Saudis see themselves as already playing a major role in existing forums; i.e., GCC and Arab League. Given their limited institutional capacity for sustained engagement in any initiatives, and their likely skepticism regarding the utility of any additional mechanisms, they are not likely to be enthusiastic about new mechanisms.

OTHER STAKEHOLDERS

¶12. (C) QUESTION: What other stakeholders - countries within and outside the region, including the U.S., and regional, international, and non-governmental organizations - would the host government want to include in these discussions? What kind of U.S. role would host country feel would be useful/acceptable in such fora?

¶13. (C) ANSWER: The Saudis would likely favor efforts undertaken under the auspices of the Arab League and OIC, with minimal overt US presence.

ISSUES RIPE FOR NEW COOPERATION

¶14. (C) QUESTION: From the embassy's lens, are there any specific functional issues, such as water, the environment, health, or education, that might be ripe for an early harvest - i.e., good candidates for pilot projects to prove the value of new regional networks that would empower countries to reach multilateral solutions to functional, transnational problems?

¶15. (C) ANSWER: The Saudis are likely to be suspicious and/or skeptical of most new mechanisms.

COUNTRY ALLERGIES: THE USUAL SUSPECTS

¶16. (C) QUESTION: What other sensitivities would the host government have in terms of membership (Iran, Israel, Iraq, etc.)?

¶17. (C) ANSWER: The Saudis would not agree to participate in any activities that included Israel. They would also hesitate to engage in any mechanisms that they viewed as expanding Iranian influence.

FUNCTIONAL ISSUES MOST LIKELY TO EXPAND MEMBERSHIP

¶18. (C) QUESTION: What functional issues or organizational arrangements would best encourage host governments to expand membership as comprehensively as possible (including Iran, Israel, Iraq, etc.).

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¶19. (C) ANSWER: Per the restrictions noted above, the Saudis are likely to participate most comprehensively in security-related discussions.

DIPLOMATIC ENGAGEMENT TO ADVANCE BILATERAL TIES

¶20. (C) QUESTION: What would be an effective diplomatic engagement strategy for us to advance such a concept in the region, and in particular, with your host government?

¶21. (C) ANSWER: Iraqi Ambassador Jumaily believes that Saudi-Iraqi ties could be strengthened by actions on the part of the Al-Maliki government that would demonstrate its political independence from Iran and demonstrate its commitment to preserve Iraq's Arab identity. Of particular importance would be an endorsement of the Arab Peace Initiative. Embassy shares this assessment. The Saudis might be receptive to requests to mediate national reconciliation, so long as these were low-profile.

¶22. (C) The Embassy plans to host several dinners for Al Jumaily in the next few weeks, including one with prominent Saudis with significant family/business ties to Iraq.

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